

MAXIMUM EARNINGS TO QUALIFY FOR EITC

TAX YEAR 2015

The VITA Return Preparation Adjusted Gross Income (AGI) threshold amount for FY 2016, Tax Year 2015, is **\$54,000**.

Earned income and adjusted gross income (AGI) must each be less than:

- \$47,747 (\$53,267 married filing jointly) if there are three or more qualifying children, you may be eligible for a credit of up to \$6,242
- \$44,454 (\$49,974 married filing jointly) if there are two qualifying children, you may be eligible for a credit of up to \$5,548
- \$39,131 (\$44,651 married filing jointly) if there is one qualifying child, you may be eligible for a credit of up to \$3,359
- \$14,820 (\$20,330 married filing jointly) if there are no qualifying children, you may be eligible for a credit of up to \$503
- Child Tax Credit is up to \$1,000 per qualifying dependent child
- Child and Dependent Care Tax Credits are worth up to \$2,100
- Investment income must be \$3,400 or less for the tax year.

The **American Tax Relief Act** of 2012 extends the relief for married taxpayers, the expanded credit for taxpayers with three or more qualifying children and other provisions to December 31, 2017.

What is Earned Income?

Earned income includes all the taxable income and wages you get from working. There are two ways to get earned income. (1) You work for someone who pays you, or (2) you work in a business you own or run.

Taxable earned income includes:

- Wages, salaries, tips, and other taxable employee pay;
- Union strike benefits;
- Long-term disability benefits received prior to minimum retirement age;
- Net earnings from self-employment if
 - you own or operate a business, or
 - you are a minister or member of a religious order ([see Special Rules page for more information](#));
- Gross income received as a [statutory employee](#).

Nontaxable Combat Pay election. You can elect to have your nontaxable combat pay included in earned income for EITC. The amount of your nontaxable combat pay should be shown on your Form W-2, in box 12, with code Q. Electing to include nontaxable combat pay in earned income may increase or decrease your EITC. See [Publication 3. Armed Forces Tax Guide](#), for more information.

Examples of Income that is Not Considered Earned:

- Pay received for work while an inmate in a penal institution
- Interest and dividends
- Retirement Income
- Social security
- Unemployment benefits
- Alimony
- Child support

Special EITC Rules

Special EITC rules for members of the military, ministers, members of the clergy, those receiving disability benefits and those impacted by disasters. [Read more about the special rules.](#)

Disability and EITC

Many persons with disabilities or persons having children with disabilities qualify for the Earned Income Tax Credit or EITC. [Find out more about Disability and EITC.](#)